

United States General Services Administration Office of Inspector General

Office of Investigation FRAUD, WASTE and ABUSE

In the
RECOVERY ACT



Office of Investigations

- In the Office of Investigations, Special Agents are sworn Law Enforcement Officers, who conduct investigations of significant criminal, civil and administrative activities involving GSA programs, operations, and personnel, and are authorized to make arrests, execute warrants, conduct searches and seizures, apprehend and detain suspects, and carry firearms.

The American Recovery and Reinvestment Act of 2009

- The American Recovery and Reinvestment Act (Recovery Act) is intended to create jobs, restore economic growth, and strengthen America's middle class through measures that modernize the nation's infrastructure, enhance America's energy independence, expand educational opportunities, preserve and improve affordable health care, provide tax relief, and protect those in greatest need.
- With oversight by a new Recovery, Accountability and Transparency Board, this Act contains built-in measures to root out waste, inefficiency, and unnecessary spending.
- The website, <http://www.recovery.gov>, is provided for the American public to monitor Recovery Act progress.
- The Recovery Act has established several more reporting requirements for federal agencies as well as additional protections for those who come forward to report fraud, waste and abuse.

Recovery Act Oversight

GSA was appropriated \$5.8 billion

- **Timely identification and investigation of potential fraud, waste, and abuse within Recovery Act funded programs.**
- **Review and investigate any concerns raised by the public about GSA projects/initiatives funded by the Recovery Act.**
- **Report findings of such reviews to the head of the agency, unless it involves an ongoing criminal proceeding.**
- **Seek prosecution where warranted and appropriate administrative action.**
- **Post findings to the OIG website.**
- **Manage an effective and efficient whistleblower allegation investigation program.**

Contract Fraud Indicators

Product Substitution / Defective Products

- Early or unexpected failure
- Higher maintenance rate
- Failure to provide certifications
- Missing or altered documents
- Requests to modify requirements

Case Examples

- Two GSA contractors were sentenced to 39 months incarceration and ordered to pay over \$800,000 in restitution for a product substitution scheme in which they affixed counterfeit Underwriters Laboratories “UL” rated stickers to counterfeit “Kiddie Safety” brand smoke detectors, that were actually made in China, and sold them to the government.
- Armor Holdings Products LLC agreed to pay the United States \$30 million to resolve allegations that it violated the False Claims Act by knowingly manufacturing and selling defective Zylon bullet-proof vests.



Contract Fraud Indicators

Defective Pricing/ Price Reduction

- Delay in releasing data to the government
- Failure to update cost & pricing data
- Failure to disclose “preferred customer” agreements
- Altered supporting documents

Case Example

- A GSA contractor agreed to pay \$9 million to settle allegations that they failed to disclose current, accurate, and complete pricing information under three of its GSA Multiple Award Schedule (MAS) contracts for ergonomic office equipment and furniture. The settlement also resolved allegations that the company failed to comply with the price reduction clause under these same three MAS contracts.



Contract Fraud Indicators

Corruption- Bribery, Gratuities....

- Unreported poor performance
- Socializing outside work environment
- Unexplained increase in business with one contractor
- Living beyond ones means
- Employment of family members

Case Examples

- GSA/PBS Contracting Officer (CO) sentenced to 5 years in jail for accepting cash and other things of value (Caribbean cruise) from a GSA contractor to whom the CO awarded security guard contracts.
- Former New York GSA/FTS Director and Deputy Director pled guilty to participating in a bribery scheme involving GSA/FTS contracts. Both were incarcerated and ordered to pay over \$1 million in restitution.



Contract Fraud Indicators

False Claims/ False Statements

- Progress payments do not correspond to contractor's plan to perform the work
- Contract employee's experience on resume does not match position requirements
- Reluctance to sign or omission of required labor certifications

Case Examples

- GSA Contractor sentenced to 33 months in jail for making false statements on GSA and SSA contract proposals.
- GSA/PBS electrician pled guilty in federal court for making false statements in connection with falsifying preventive maintenance records for high voltage equipment in federal buildings.



Other Types of Investigations

- **Credit Card Fraud**
 - GSA Fleet Credit Cards
 - GSA Travel & Purchase Cards
- **Computer crime**
 - Child pornography
 - Intrusion
- **Employee Misconduct**
 - Timesheet abuse
 - Travel voucher fraud
- **Anti-Trust Violations**
 - Collusion
 - Kickbacks
 - Bid Rigging/Price Fixing
- **Theft of Government property**
- **Work Projects Administration (WPA) recovery effort**
- **Conflict of Interest**
- **Surplus/Excess property fraud**
- **Trade Agreement Act (TAA) violations**
- **Qui-Tams**
- **Suspensions & Debarments**

Case Examples

- GSA employee sentenced to 7 years in jail for receipt of child pornography on his GSA issued computer.
- Canadian man found guilty for fraudulently obtaining over \$3 million in federal excess property, which he either sold or kept for personal use.
- Former GSA/PBS supervisor pled guilty in federal court to theft of government property for falsifying timesheets.
- Federal employees from various agencies have been found guilty and incarcerated for their fraudulent use of GSA issued Fleet Credit Cards.



Whistleblower Protection Act

- Federal employees may not be retaliated against by their agency for reporting information regarding potential crimes, frauds, or violations of law to the OIG.
- The OIG will not tolerate ANY retaliation, harassment or hostility from agencies towards GSA employees who communicate or cooperate with the OIG.
- All allegations of whistleblower violations will be reviewed, and where appropriate, investigated by GSA OIG.
- Complainants are offered anonymity.



Whistleblower Protection

Recovery Act Whistleblower Protections

The Recovery Act also provides explicit protections for non-Federal employee whistleblowers. The Act prohibits funding recipients from discharging, demoting, or discriminating against any employee for reporting to their supervisor, the head of a Federal agency or his/her representatives, or OIG information that the employee reasonably believes is evidence of:

- Gross Mismanagement of grant or contract relating to Recovery Act funds.
- Gross waste of Recovery Act funds.
- Substantial and specific danger to public health or safety related to implementation or use of Recovery Act funds.
- Abuse of authority related to the implementation or use of Recovery Act funds.
- Violation of law, rule or regulation related to an agency contract or grant relating to Recovery Act funds.

Contractor Reporting Requirements

- All Federal contractors are required to timely disclose to the Inspector General whenever they have credible evidence of a violation of Federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations, or a violation of the civil False Claims Act.

Reporting Fraud on GSA Contracts

**GSA-OIG Web
Address**

**http://
www.oig.gsa.gov**

**CALL THE HOTLINE
TO REPORT FRAUD,
WASTE AND ABUSE.**

**USE FAR
CONTRACTOR
REPORTING FORM IF
YOU ARE SELF-
REPORTING.**

GSA Office of Inspector General - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Back Forward Stop Home Search Favorites Print Mail

Address http://oig.gsa.gov/index.htm

Office of Inspector General For the General Services Administration GSA

Explore the GSA OIG

Message from the IG

Contact the GSA IG Hotline at (800) 424-5210 or fraudnet@gsa.gov

FAR Contractor Reporting Form

News Click for more

Former GSA Employee Sentenced for Making False Statements

On July 23, 2009, Amandeus Watkins, former Supervisory Budget Analyst at GSA, was sentenced in U.S. District Court, District of Columbia. [Read more...](#)

Company Owner Sentenced for Violating Withholding Laws and M...

On July 16, 2009, James Bauer, Owner, JB Auto Restoration and Collision (JB Auto), Darby, PA, was sentenced in U.S. District Court/Easte. [Read more...](#)

Our Mission

The Office of Inspector General mission is to help the General Services Administration effectively carry out its responsibilities and to protect the public interest by bringing about positive change in the performance, accountability, and integrity of GSA programs and operations.

Our Staff

The GSA OIG employs a dedicated team of Auditors, Investigators, Administrators and Support Staff whose skills and experience are essential to the success of our mission.

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Contractor Fraud Reporting Form

 **Office of Inspector General**
For the General Services Administration 

> Home > Offices > Contact Us > Publications > F.O.I.A. > Employment

GSA OIG Contractor Reporting Form

This form is provided as a convenience to allow contractors to comply with the reporting requirements in the December 12, 2008, FAR amendment, 73 Fed. Reg. 67064. Specifically, contractors may use this form to satisfy the requirement that they notify, in writing, the agency (GSA) Office of the Inspector General, whenever the contractor has credible evidence that a principal, employee, agent, or subcontractor of the Contractor has committed a violation of the civil False Claims Act or a violation of Federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations in connection with the award, performance, or closeout of a contract or any related subcontract. Individuals completing this form must be authorized to contract on behalf of the company and report to the company. When you submit this electronic form an email will automatically be generated to send you a tracking number and a copy of what you have submitted. The information you are providing is not deemed to be submitted until you have received that confirmation email. If you wish to provide information that does not fall within these guidelines, please visit the [Inspector General Hotline](#).

Instructions:
Fill in the form at right. If you are unsure if this form applies or you have any questions, please contact Counsel to the Inspector General at OIGCouncil@gao.gov or (202) 501-0153.

GSA Office of Inspector General
Attn: FAR Contractor Reporting
Office of Audits (JA)
1800 F Street NW, Room 5318
Washington, DC 20405

Relationship:
My company is the: I am reporting on:

Contract Information:
Contract No:
DUNS or TINs:
GSA Contracting Officer Name:
GSA Component / Region: /
If other, please specify:

GSA Contracting Officer Name:
GSA Component / Region: /
If other, please specify:
Description of Services/Supplies/System:

Incident
Estimated Amount of Loss:
Loss Description:
Initial Incident Date: / /
Is the incident ongoing? Yes No
Date contractor learned of potential violation: / /

Comments
Please provide a complete description of the facts and circumstances surrounding the reported activities, including the evidence forming the basis of this report, the names of the individuals involved, dates, location, how the matter was discovered, potential witnesses and their involvement and any corrective action taken by the company.
NOTE: Please provide only the names, business email contact, and business phone for any individuals involved and/or potential witnesses.

Does this report contain confidential or proprietary information? Yes No

Please list any other government entities you are notifying about this incident:

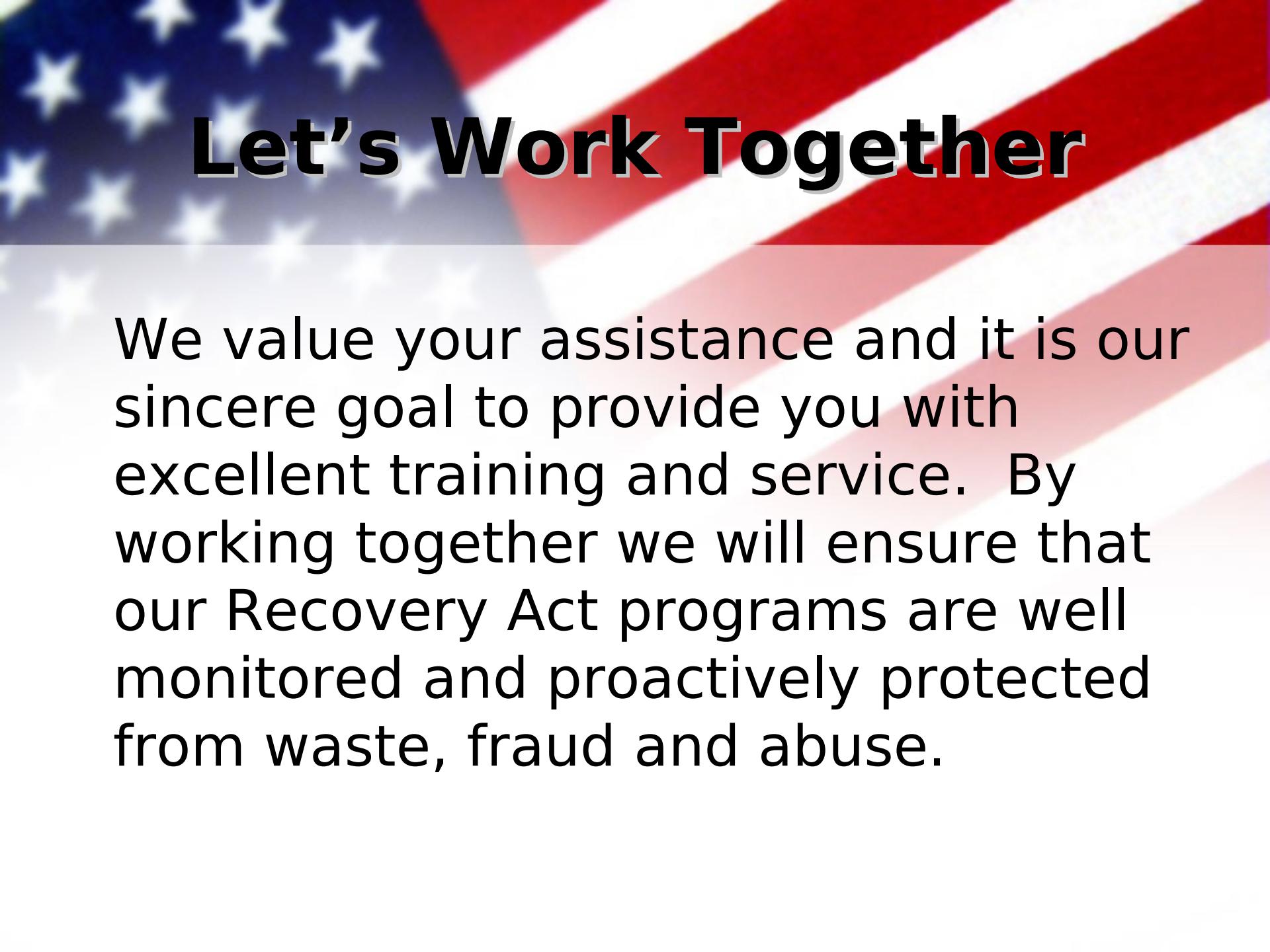
Attachments:

NAME:
Validation:
Please enter the number from the image into the adjacent field:
 I cannot read the image

Hotline

- OIG's Hotline, run by the Office of Investigations, is used to receive reports of violations of laws and regulations relating to GSA programs, including Recovery Act activities.
- OIG will separately track complaints regarding Recovery Act funding and related whistleblower reprisal complaints.

Let's Work Together

A large, semi-transparent American flag serves as the background for the slide. The stars are in the upper left corner, and the red and white stripes run diagonally across the frame.

We value your assistance and it is our sincere goal to provide you with excellent training and service. By working together we will ensure that our Recovery Act programs are well monitored and proactively protected from waste, fraud and abuse.

Thank You

Call The OIG HOTLINE
(800) 424-5210
(202) 501-1780

Write
GSA/OIG Investigations
Attention Fraud Hotline
1800 F Street, NW
Washington, D.C. 20405

Online: <http://oig.gsa.gov>

Electronic Mail
(fraudnet@gsa.gov)

